

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 713

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EO 11652: NA

TAGS: EFIN EALR ECRP VE

SUBJ: VENEZUELA BALANCE OF PAYMENTS - 1975

REF: STATE 199613, CARACAS 9598, CERP 0102

1. SUMMARY. CENTRAL BANK HAS PROJECTED A SUBSTANTIAL BALANCE OF PAYMENTS SURPLUS FOR 1975 (IN CONTRAST TO FOREIGN PREDICTIONS OF A DEFICIT) AND DEEMPHASIZES IMPORTANCE DOLLAR OUTFLOW IN SEPTMBER. END SUMMARY.

2. PRESIDENT OF CENTRAL BANK, ALFREDO LAFEE, TOLD THE PRESS OCTOBER 27 THAT BANK'S PRELIMINARY PROJECTIONS SHOW THAT VENEZUELA WOULD FINISH 1975 WITH AN OVERALL BALANCE OF PAYMENTS SURPLUS OF OVER \$3 BILLION. FOREIGN EXCHANGE RESERVES SHOULD REACH \$9.6 BILLION, AN INCREASE OF \$3.2 BILLION, OVER THE END OF 1974. THE SURPLUS IS PREDICTED ON AN IMPORT LEVEL OF \$4.7 BILLION COMPARED TO \$3.8 BILLION FOR 1974. WHILE LAFEE PROVIDED NO SPECIFIC FIGURES CONCERNING EXPORTS, HE SAID THAT IN CALCULATING THE VALUE OF PETROLEUM EXPORTS, ACTUAL PRICES OBTAINED COMBINED WITH THE LEVEL OF CRUDE AND REFINED PRODUCTS PROGRAMMED FOR EXPORT WERE TAKEN INTO ACCOUNT.

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3. COMMENT: IT IS HIGHLY UNUSUAL FOR THE CENTRAL BANK

TO MAKE PUBLIC PROJECTIONS ON THE BALANCE OF PAYMENTS
BEFORE THE END OF THE YEAR CONCERNED. LAFEE PROBABLY WAS
REACTING TO REPORTS THAT THERE HAD BEEN AN EXTRAORDINARY
OUTFLOW OF DOLLARS DURING SEPTEMBER WHICH WAS REFLECTED
IN THE FIRST MONTHLY DECREASE IN FOREIGN EXCHANGE RESERVES
SINCE 1974. HE STRESSED THAT THE GROSS OUTFLOW OF \$1.720
BILLION IN SEPTEMBER WAS NOT EXTRAORDINARY. OF THIS AMOUNT
\$688 MILLION REPRESENTED A CONVERSION OF RESERVES; \$237
REPRESENTED PLACEMENTS OF PETROVEN (NATIONAL OIL HOLDING
COMPANY) AND \$795 NORMAL EXPENSES FOR IMPORTS. END COMMENT.
SHLAUDEMANN

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Message Attributes

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